



11 FISCAL/EQUIPMENT MANAGEMENT

Effective: 10/01/95

11.2 Budget Planning

Revised: 11/01/02

POLICY: The WIC Program requires all local agencies to complete a proposed budget by category for the WIC/TANF and Immunization Grant Award. The State WIC Office will use the information for reporting to USDA and to the Wisconsin Immunization Program. The local agency should use the budget form for program planning and monitoring the expenditure of all available funds, including Farmers' Market Nutrition Program and other special funding.

It is emphasized that even though an amount may be included in the budget, reimbursement is limited to actual, allowable costs, as described in Policy 11.1 Expenditure of Program Funds.

1. Projects must use the budget format in the Attachment or a project developed form that contains the same information and format. The WIC Budget Form is located on the Wisconsin DHFS WIC web site. The initial budget must be typed, preferably using the automated spreadsheet file to eliminate calculation errors.
2. Operation costs are budgeted in line categories and expended as Personnel Services, Consultant/ Contractual, Agency Operations and Program Supplies, Indirect Costs, and Special Projects.
3. These categories are split into Administration, Client Services, Nutrition Education, and Breastfeeding Promotion and Support. A time study must be used to determine a logical split.
4. Nutrition Services and Administration (NSA) costs must be prorated to other funding sources as appropriate.

PROCEDURE:

A. BUDGET SPLITS

A logical split between Administration, Client Services, Nutrition Education, and Breastfeeding Promotion and Support expenditures is required.

1. The State WIC Program is required to spend a required amount on Breastfeeding Promotion and Support, and Nutrition Education. It is also imperative that sufficient funds are allocated to meet established WIC Program goals and objectives. Therefore, to meet the State's requirement and the goals of the Program, projects should budget and expend:
 - a) At least 2% of the total grant award for Breastfeeding Promotion and Support



- b) At least 17% of total grant award for Nutrition Education
- 2. Personnel and non-personnel expenditures may be used to meet the nutrition education and breastfeeding recommendations. Actual documentation of such expenditures and time studies must be maintained by the local agency.
- 3. Reporting client services is required but no specific percent is required.
- 4. Indirect costs may not be used toward the nutrition education or breastfeeding expenditures, or client services.
- 5. Monthly monitoring of expenditures by the project director is recommended (quarterly monitoring is required).
- 6. Local agency performance and nutrition outcomes will be monitored by the Regional Nutrition Consultant to assure that adequate funds are budgeted and spent to meet Program goals and objectives.

B. FUNDING SOURCE SPLITS

A logical split between funding sources for allocation of costs is required.

- 1. Salary and fringe benefits must be prorated by fund source. If WIC staff also works with, or provides services for other programs within the agency, or provides services not allowable by WIC (i.e. immunizations, HealthCheck), time must be charged off appropriately to WIC NSA and other programs. The WIC time study or daily time sheets should be used as documentation.
- 2. Rent and space costs must be prorated by fund source. If WIC shares clinic, office or waiting area space with another program, costs should be split appropriately.

Example: WIC and Immunization share a waiting area. WIC uses it two days a week and Immunization one day a week. It is unused the other two days. The split between WIC and Immunization is 2/3-1/3. However, WIC may be charged for up to 4 days, but may not be charged for the one day it is used by Immunization.

- 3. Other non-personnel costs such as shared telephone lines, computer hardware or software must be prorated by fund source.



C. DOCUMENTING NUTRITION AND BREASTFEEDING EXPENDITURES

1. Salary and fringe benefits budget must be documented by the annual WIC time study.

Example: A nutritionist works a total of 168 hours in the time study month, with a total of 80 hours (or 48%) for client services, 50 hours (or 30%) for nutrition education and 10 hours (or 6%) for breastfeeding. The salary line for that nutritionist would indicate the split appropriately. Fringe benefits for that nutritionist would also be split the same way and added to the total fringe benefits in that category.

2. Non-personnel costs may also be used and should use the same logical split as documented in the time study.
 - a) Travel: The nutritionist travels to clinic and spends 40 percent of their time at the clinic on nutrition education, then every month 40 percent of that person's travel costs to that clinic may be charged to nutrition education.
 - b) Rent: Clinic or education space may be prorated by client services, nutrition or breastfeeding. Estimate the amount of time spent in each area; the amount of time that the space is not used for these purposes should be put in Administration.
3. Other non-personnel expenditures should be split as described in Policy 11.1, Allowable Costs. This is not required. It is recommended only if the split can be documented, i.e. postage, telephone or rent.

D. COMPLETING THE WIC BUDGET

1. Use the automated spreadsheet available from the State WIC Office via the WIC web site. This will eliminate errors in calculations and allow easier revisions. The form provides the detail necessary for project planning. However, the State WIC Office will use only the information related to the splits, e.g. administration, client services.
2. Round to the nearest dollar.
3. A narrative is no longer required with the initial budget (as of January 1, 2001). It is required for revisions.



E. BUDGET FORMAT GUIDANCE

Required Information: Totals for each category (Personnel, Consultant/ Contractual, Agency Operations, and Indirect Costs) split by appropriate percentages (Administration, Client Services, Nutrition Education, and Breastfeeding).

Detailed information within each category is optional.

Projects must use the budget format in the Attachment or a project developed form that contains the required information. The following guidance provides information for projects that choose to use detailed budget planning. All policies specified below are in effect regardless of whether the detail is provided.

1. CATEGORY I - PERSONNEL SERVICES

- a) List each position title to be funded either in whole or in part with WIC grant funds.
- b) Each employee's total annual base salary is listed on the budget. Base salary is the total annual salary for WIC plus any other agency salary. For example, if the nutritionist's base salary is \$36,000 per year, and he/she is paid \$18,000 for WIC, a .5 FTE (Full Time Equivalent) should be listed on the budget (See Note: Annual Time Study). All anticipated pay increases or union negotiations should be included.
- c) Calculate the percent administration, client services, nutrition education, and breastfeeding for each person, using the percents calculated on the Time Study. The Time Study is the agency's documentation of this percent split. The Budget form will be the State's documentation to USDA. Copies of the WIC Time Study or the agency time sheets must be maintained by the local agency.
- d) In order to budget realistically, sometimes the total salary line will not equal base salary x FTE, particularly in the case of leaves or vacancies. The actual estimate of annual cost for each person should be entered under each category, but the FTE should reflect current staffing.
- e) Total the WIC-paid FTE's and enter under TOTAL CATEGORY I.

2. CATEGORY II - CONSULTANT/CONTRACTUAL SERVICES

- a) A WIC project may not enter into any contract or lease agreement that commits WIC funds extending beyond the contract period with DPH. A



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Local Agency may enter into a contract or lease agreement extending beyond the DPH contract period.

- b) Itemize contracted/consulting nutrition, medical, laboratory and administrative services. List the specific vendor, service and amount per year. Include all costs associated with the acquired services, i.e. salaries, materials (unless materials are provided by the WIC Program).
- c) Salaries for contracted nutritionists and nurses (all CPA's); calculate and total the FTE's. Include mileage under Category III. Specify the base salary and percent of administration, client services, nutrition education and breastfeeding.

3. CATEGORY III - AGENCY OPERATIONS & PROGRAM SUPPLIES

- a) Travel - limited to mileage, meals and lodging for travel to/from WIC clinic sites, vendor relations, WIC meetings and professional development meetings, outreach, coordination, and home visits to WIC applicants or participants.
 - (1) Travel expenses should reflect agency policy
 - (2) Out-of-state travel is restricted to WIC paid staff
- b) Supplies - are defined as expendable, usable articles. Supplies are limited to the following:
 - (1) Medical/clinic supplies (capillary tubes, microcuvettes, lancets, gloves, etc.)
 - (2) Administrative/office supplies (stationery, envelopes, toys for clinic waiting areas, etc.)
 - (3) Client services supplies (participant file folders, DAISy-related supplies and forms)
 - (4) Nutrition education and breastfeeding supplies (posters, pamphlets, AV materials, group session materials, breastfeeding aids, etc.)
 - (5) Equipment under \$1,000 - with a useful life of more than one year and costing less than \$1,000
 - (6) Equipment repairs and maintenance of WIC owned equipment. The State WIC Office has a maintenance agreement for the repair of DAISy computers, printers and monitors; no additional funds should be budgeted.



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Projects are responsible for all other repair and maintenance of WIC equipment.

- (7) Projects will be responsible for insuring all equipment except the computers, printers and monitors purchased by the State WIC Office for DAISy. Costs for the premium and deductible may be claimed in this line. Computer equipment purchased by the State WIC Office is insured by the State of Wisconsin policy.
 - c) Rent - limited to prorated costs of clinic and office space utilized by WIC staff and participants
 - d) Telephone and FAX - costs are limited to WIC participant and administrative costs and include equipment, monthly service costs, cellular phones (if no phone access is available in the clinic), toll free numbers (must be prorated to other programs as applicable)
 - e) Postage - costs are limited to WIC participant and administrative postage
 - f) Printing - costs are limited to those items produced for use in WIC projects for client services, nutrition education, breastfeeding, outreach and administration
 - g) Capital Equipment (costing \$1,000 or more per unit) requires prior written approval from the Regional Nutritionist. See Policy 11.6 WIC Project Equipment Purchase and Security.
 - h) Other - includes expenses for recruitment, audit, utilities, cleaning, insurance (liability, auto), subscriptions, outreach/marketing, professional development, agency/program memberships to professional organizations or associations, conference registrations fees (travel expenses should be in the Travel line). This does not include certification or registration fees to maintain registration status (R.D. or D.T.R.) with the American Dietetic Association or ADA membership fees; these are unallowable costs. Includes Internet Provider Service fees and the cost of T1 lines.
4. CATEGORY IV - INDIRECT COSTS
- a) An agency must treat each item of its costs consistently as direct, allocated, or indirect. A cost may not be assigned to a program as a direct cost if any other cost under the same circumstance has been charged to a program as an allocated or indirect cost. For example, if Mary Smith, Accountant, is included in other program budgets in the indirect category, she cannot be included in the personnel category of the WIC budget. Instead, she would be included in the indirect category for the WIC Program.



- b) Indicate the maximum indirect rate and the budgeted amount. The rate is identified in the agency's indirect cost allocation plan.
- c) A copy of the indirect cost allocation plan must be retained at the local agency and made available for program monitoring and audit purposes.

5. OTHER BUDGETS FORM (UNDER THE WIC CONTRACT)

- a) The Other Budgets Form (under the WIC Contract) must be used when a WIC project receives additional funding for specific activities not included in the scope of the WIC Grant (i.e., Farmers' Market, Immunization, etc.).
- b) These activities in the budget will be identified by a unique CARS Profile ID number to maintain separate accounting and reporting expenditures.
- c) Expenditures should be reported on a DMT-855, Expenditure Report Form along with other WIC expenditures.

F. ANNUAL TIME STUDY

Annual WIC Time Study and Salary Survey provides documentation of time spent on administration, client services, nutrition education, and breastfeeding. This information is used to plan the budget splits and expenditures for these activities. Salary related information is requested to develop the salary comparison. Completion of the Non-WIC Time Study and Salary Survey is optional but completion is helpful for developing the personnel section of the budget for immunization, Farmers' Market Program and other activities.

- 1. Projects should meet the recommended levels of Nutrition Education (17%) and Breastfeeding (2%). The WIC Time Study is the local project's documentation for the budgeted split of the Personnel and Consultant/Contractual categories.
- 2. If your project/agency is required to keep actual time sheets, then the proposed budget for personnel costs may be based on those actual time sheets rather than the WIC Time Study. Projects must use the same definitions of Administration, Client Services, Nutrition Education, and Breastfeeding as specified in the WIC Operations Manual. Projects are encouraged to keep actual time sheets as they leave little to be challenged in an audit.
- 3. Because studies do not reflect actual WIC time and the time spent on nutrition education for the entire year, local agencies are encouraged to periodically (perhaps quarterly and when there is a significant change in staffing patterns) review the time study to ensure that it is still reasonable. If a staff person has not been hired at the time of the WIC Time Study, complete it at a later date and



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revise the budget if needed. The responsibility for periodic review and reasonableness rests with the local agency. If another time study is completed for the allocation basis, the budget should be reviewed and revised within the agency accordingly.

4. A time study must be completed for all WIC staff (WIC paid and local share), full- or part-time, including staff in the Consultant/Contractual category such as nutritionists and nurses (not cleaning staff or accounting services) periodically as requested by the State WIC Office. Forms and instructions will be provided annually. A sample is included in the Attachments, but will not be replaced in this manual unless significantly revised.

NOTE: To calculate FTE's for the time spent in WIC: Take the hours per week and multiply by 52 (weeks) to determine hours worked per year. Divide this number by your agency's full time hours per year.

Example 1: A WIC nutritionist works ten hours per week. He/she does not work elsewhere in the agency. The agency's full time work week is 37.5 hours per week. The nutritionist's WIC FTE is computed as follows:

$$\begin{array}{lcl} \text{WIC} & = & 10 \text{ hours} \times 52 \text{ weeks} = 520 \text{ hours per year} = 0.266 = .27 \text{ FTE} \\ \text{Agency} & = & 37.5 \text{ hours} \times 52 \text{ weeks} = 1950 \text{ hours per year} \end{array}$$

Example 2: A full time clerk works 25 hours for WIC and 15 hours for the public health agency. The agency's full time work week is 40 hours per week (1 FTE). The clerk's WIC FTE should be computed as follows:

$$\begin{array}{lcl} \text{WIC} & = & 25 \text{ hours} \times 52 \text{ weeks} = 1300 \text{ hours per year} = 0.625 = .63 \text{ FTE} \\ \text{Agency} & = & 40 \text{ hours} \times 52 \text{ weeks} = 2080 \text{ hours per year} \end{array}$$

G. BUDGET FLEXIBILITY

The DHFS, Division of Public Health (DPH) allows flexibility in project expenditures within the WIC budget. Budget revisions are required when local project budgets are increased or reduced.

1. An overexpenditure of the budgeted amount within the Personnel, Consultant/Contractual, Agency Operations and Supplies, or Indirect Costs categories will be allowed, as long as the total budget amount is not exceeded.
2. Costs incurred outside of the contract period will not be reimbursed. For example, costs incurred prior to the start date of an agency's contract with the DPH will be disallowed. Costs incurred prior to but submitted after the close of



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the contract period will be paid, if otherwise allowable, and if reported by the due date for final reports for the relevant contract period.

3. Types of Budget Revisions

- a) Increase - Budget increases are a result of an increase in contracted caseload, an increase in the rate of administrative reimbursements, or an adjustment for special funding or requests. The total amount of the budget is increased by adding funds to specific lines or categories, or by adding new lines. This requires a contract agreement amendment.
- b) Decrease – Budget revisions are generally not done during a contract period due to a decrease in funding.

4. Procedures for Budget Revisions

- a) A budget adjustment (for grant award change) must be made in writing, and sent to the State WIC Office, Fiscal Specialist. This must consist of two parts:
 - (1) a short narrative describing only the categories that were changed (sample attached)
 - (2) a revised project budget showing (at a minimum) the categories, FTE's and/or totals; changes may be handwritten
- b) If approved by the State WIC Office, the project will receive an amended contract agreement. A copy of the approved budget will be forwarded to the Regional Office Nutrition Consultant.

ATTACHMENTS

Budget Forms

Time Study Forms

Sample Budget Revision Narrative